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U.S. Oilseeds and Oils In Export Markets

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London's Smithfield M

Smithfield has always been a lively, boisterous place, no more so than at Christmas 1898 in this rare photo. Below is the open livestock market as it appeared in 1855 only a few years before it was forced to move out of central London.

eld Market Moves Into Its Second Century

By KENNETH E. HOWLAND
Assistant U.S. Agricultural Attaché, London

The largest meat distribution center in the world—London's Smithfield Market—celebrated on October 30 the 100th anniversary of its founding. Whether the market in its present form will see another century of service to British meat dealers, however, is doubtful. Like several of the tradition-rich, central European marketplaces, Smithfield is having trouble keeping up with vastly increased demands, modernized competition, and changing distribution patterns.

Historical center of activity

Construction of the present Smithfield market was completed in 1868, but Smithfield's history is of course a part of London's and goes back more than 1,000 years. Its name is probably derived from "Smooth Fields," descriptive of the market's site on what was once a large grassy meadow immediately outside the great west wall of the ancient fortress City of London (the section now known simply as "the City"). Records dating from 975 mention Smithfield as a live cattle and meat market, and Henry II issued a royal grant to permit cattle dealers to hold a market at Smithfield every Friday except if a holy day.

Activities at Smithfield have not always been restricted to marketing. The area was the site of medieval jousting tournaments and training ground for the longbowmen who carried the day at Agincourt and Crecy in the Hundred Years' War with the French. In the middle of the 16th century, Mary Tudor—attempting to restore the supremecy of the Catholic Church in England—martyred several hundred Protestants at the stake in Smithfield.

Smithfield's popularity as a livestock market grew until the 1800's, when the vast numbers of cattle, sheep, pigs, and horses were more than the area could handle. The filth and disruption caused by the drovers and cattle en route to the market incensed Victorian Londoners. Live cattle sales were stopped in 1855, and Smithfield's history as exclusively a meat market began.

Except for the poultry market, destroyed by fire in 1958 and rebuilt in 1963, the physical layout of the market has remained unchanged in its 100 years. The architecture is mid-Victorian, with ornamental wrought iron, cast-iron statuary, spires, and cupolas. Market buildings comprise a row of four great open-vaulted sheds interconnected end to end and divided into stalls for the tenant companies.

Market operations also have changed little. A market day begins at midnight with "the pitch" or manhandling of carcass meat from trucks to stalls. The pitch is about finished by 4 a.m. when salesmen arrive and cutters begin preparing primal cuts for clients. Buyers arrive about an hour later and the "fencing" between buyer and seller begins. As in all commodity trading, contracts are verbal. When a buyer has made his purchases for the day he books space with one of the trucking companies represented at the market, and porters load the meat—again manually—onto the truck for delivery. By noon the market is practically empty of meat.

Traded volume goes down

In the market's heyday before World War I, as much as 4,000 tons of meat per day moved through the stalls of the more than 340 Smithfield tenants. Smithfield wholesalers supplied all of London and most major provincial cities and towns as well. The volume of meat now handled has declined to about 7,000 tons per week. Several factors account for the decline. The market's location in central London has long made vehicular access difficult. Urban congestion has of course grown worse in recent years, and the market is gradually being strangled.

Facilities are inadequate for loading large numbers of trucks, and the market has very limited refrigeration capacity. Then too, the pattern of meat distribution in England is changing. Direct distribution from packinghouses to supermarkets, butcher shops, institutional users, and meat product manufacturers is becoming more prevalent, especially in the

Above left and right, for decades "pitchers" have carried carcasses from the trucks into Smithfield and run annual races around the market with sides of beef on their backs. Below, World War II bombing damage to the poultry market in 1940, since then rebuilt.

SMITHFIELD THROUGHPUT OF U.K. MEAT SUPPLIES IN SELECTED YEARS

Item	1938 [1]		1958		1964		1965		1966		1967	
	Quantity	Percent of total supply	Quantity	Percent of total supply	Quantity	Percent of total supply	Quantity	Percent of total supply	Quantity	Percent of total supply	Quantity	Percent of total supply
Beef and veal:	*1,000 metric tons*	*Percent*	*1,000 metric tons*	*Percent*	*1,000 metric tons*	*Percent*	*1,000 metric tons*	*Percent*	*1,000 metric tons*	*Percent*	*1,000 metric tons*	*Percent*
Domestic and Irish	36	6	34	4	53	6	52	6	61	7	92	9
Imported	205	36	141	35	119	37	99	38	93	38	76	47
Total	241	20	175	15	172	14	151	14	154	14	168	14
Mutton and lamb:												
Domestic and Irish	34	17	23	12	37	14	34	14	35	13	34	13
Imported	108	33	71	21	57	17	54	16	52	17	49	15
Total	142	27	94	18	94	16	88	15	87	15	83	14
Pork:												
Domestic and Irish	44	18	51	11	66	12	70	11	63	10	54	10
Imported	—	—	—	—	—	—	—	—	—	—	—	—
Total	44	18	51	11	66	12	70	11	63	10	54	10

[1] Considered the last normal trading year before wartime controls were imposed.

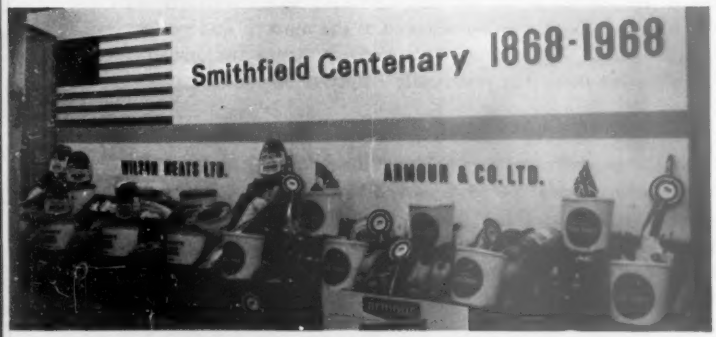
outlying areas of greater London.

Most meat imports, which are shrinking somewhat because of larger Irish and domestic supplies, are handled through Smithfield. Since the war, construction of cold store facilities near docks—miles from Smithfield—has made possible direct distribution of imported meats, thus bypassing the old central market. Some of the changes in trading patterns are shown in the table above.

Some countries which export meat to Britain are not happy with Smithfield's pricing system. Traditionally, foreign meat shipped to London was sold at whatever price it would bring at Smithfield Market. Exporters understandably feel this puts their product in an unfair price position, especially if it is perishable, chilled carcass meat. The trend now is toward more c.i.f. or f.o.b. contract sales which obviate the need to sell through the market.

In recent years numerous proposals have been made for relocating all but a core of meat marketing. Undoubtedly the need for a meat distribution center for London will remain to meet the city's demand for an extraordinary variety of types, cuts, and grades of meat. Suggestions have been made that the market move to outlying areas south of the Thames nearer the docks, or north of the city nearer to packing plants. No definite plans have yet emerged, however.

U.S. Variety Meats at Smithfield Celebration



Above, U.S. variety meat counter at the Smithfield Show included livers, tongue, and various roasts. Left, lamb carcasses banked above a selection of offals at the New Zealand exhibit.

Variety meats from the United States were featured items at the Smithfield Centenary Celebration October 30 in an exhibit sponsored by six British import firms and several domestic meat companies. The United States supplies about 21 percent of Britains imported variety meats—beef, veal, mutton, and lamb—and had some of each on display at the Smithfield show.

Hundreds of meat traders were present at Smithfield to see the one-day exhibit, which was honored with a tour by Britain's Queen Mother.

Importers' stands displayed lamb from New Zealand, beef from Australia, Argentina, Ireland, Hungary, Yugoslavia, and Brazil. Pork and bacon from Denmark and Ulster were prominently displayed as were Britain's own beef, pork, lamb, poultry, and game.

The American exhibit at the Centenary marks the third time that USDA has sponsored a market promotion activity for American variety meats at the Smithfield market. In 1965 a feature exhibit of variety meats was held during one day's regular marketing hours followed by a seminar at the U.S. Trade Center. American exporters met with British importers at the Center to discuss the quality and packing of U.S. variety meats for the British market. In 1966 a follow-up exhibit was staged to reemphasize the high quality and show new packing techniques of U.S. meat products.

—WILLIAM L. SCHOLZ
Assistant U.S. Agricultural Attaché, London

U.K. Agricultural Plans and U.S. Trade

There's no doubt that the United States and other trading nations will have difficulty expanding agricultural exports to the United Kingdom in coming years, for that nation has committed itself to reducing imports. The extent of these trade problems, however, may not match earlier expectations, according to statements by Cledwyn Hughes, U.K. Minister of Agriculture.

Mr. Hughes gave two speeches—one on November 12 (summarized in the December 2 issue of *Foreign Agriculture*) before the House of Commons and another the next day before the Farmers' Club in London—which show the government following a more moderate path than had been proposed by the Economic Development Committee (EDC).

The EDC, in a study entitled *Agriculture's Import Saving Role,* recommended sharp production increases for grains, beef, pork (especially bacon), and other products so that the country might save $528 million after 1972-73 in imports of Temperate Zone foods.

Mr. Hughes, on the other hand, proposed a more modest savings goal of $384 million by 1972-73. He further stated that it probably would not be possible to expand grain output as much as the 24-percent increase proposed by the EDC, and he was extremely cautious about plans to increase bacon production 84 percent. Moreover, Mr. Hughes said that expansion would not be encouraged for commodities, like mutton and lamb, with a static demand.

Words left unsaid

Of almost as much significance as what the Minister said last month is what he did not say. There was no mention, or even a hint, of any changes in the United Kingdom's methods of agricultural support—no reference to an extension of the minimum import price system, no comprehensive levy structure, no financing of agricultural support from higher consumer prices. The only suggestion of an increase in prices—on milk—was rejected. Nor was there any reference to entry into or association with the EEC. On the evidence of Mr. Hughes' words, it therefore appears that expansion will take place within the existing framework.

The existing U.K. system of supports and preferences for its own agriculture is in most cases no more protective than the systems in many other countries and in more than a few instances is less so. What does seem apparent from the Minister's statements is that the United Kingdom is certainly not going to be less protective of its agriculture in the future than it now is. How much more protective the country will become has not been indicated.

Leaving tariffs aside, U.K. farmers can be encouraged to produce more by a combination of nontariff barriers (such as quotas, import licensing, and minimum import prices) and greater financial inducements.

The United Kingdom's present nontariff barriers against imports of Temperate Zone products include quotas for butter, apples, pears, and an arrangement for bacon which amounts to a quota; import licensing restrictions on milk powders, certain seeds, and hops; and minimum import prices on grains. (In the case of grains, minimum import prices come into effect only when world prices are unusually low.) These barriers often restrict trade only from certain countries or groups of countries.

The Minister's statement indicates that these nontariff barriers will not be relaxed. In fact, Mr. Hughes cited the apple and pear quotas as props for expansion in U.K. production. And—in another case—he actually seemed to be pointing to an extension of such barriers; speaking of the need for market stability, he said, "Measures to promote such stability already exist. . . . Further measures for other commodities may be required."

Implications for U.S. trade

Any trade policies followed by the United Kingdom will, of course, affect the United States large farm trade with that country. In fiscal 1968, the United States shipped $398 million of agricultural commodities to the United Kingdom, and another $50 million probably moved there by way of other importing nations.

At the outset, it is easy to see which commodities will not be hurt by increased U.K. production; these are, of course, ones that the country cannot produce. Tobacco is the most significant, and in fiscal 1968 the United States sent $153 million of this product to the United Kingdom. Next is cotton ($15 million), followed by rice ($10 million), raisins ($3 million), prunes ($3 million), fresh and processed citrus ($2 million), and edible nuts ($1 million).

To these items may be added certain commodities where the scope for increased production is extremely small: Canned deciduous fruits ($3 million), pulses ($9 million), and oilseeds and products ($24 million). In other words, using fiscal 1968 as a basis, $223 million out of $398 million—or 56 percent of U.S. farm exports—are reasonably safe.

The remaining $175 million shipped to the United Kingdom last year is largely accounted for by grains and grain products ($99 million); meats and meat products, mainly variety meats ($14 million); lard ($10 million); and apples and pears ($5 million).

Among the grains, corn alone brought in a giant $81 million in fiscal 1968—a trade that is obviously threatened by Britain's proposed expansion in grains. Somewhat reassuring is the Minister's statement that the EDC proposals for grain were too optimistic. Nevertheless, it seems that, at best, feedgrain imports will remain stationary and therefore become less significant in the total supply picture.

Dangers to U.S. variety meats and lard could be more real, since government objectives for expansion in livestock products are basically the same as those of the EDC. In the case of apples, larger production has been called for but will probably not be achieved by 1972-73.

Broadly speaking, therefore, the U.K. expansion program poses a definite danger to some major sectors of U.S. agriculture. An equal or even greater danger is the intensified competition from other countries for shares of a static, if not declining, U.K. import market.

(For further information on Britain's future agricultural imports, see *Foreign Agriculture,* December 30, 1968. To appear in that issue is an article based on a study of the U.K. market, which sees much the same trends, although it gives a more optimistic outlook for total agricultural imports.)

—Based on dispatch from GEORGE H. WHITE and DAVID P. EVANS
Office of the U.S. Agricultural Attaché, London

Gloomy Outlook: Jute and Cordage Fibers

By JOHN C. HOBBES
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Foreign Agricultural Service

Hard times have overtaken growers of cordage fibers—sisal, henequen, and abaca (manila hemp). Changing demand for cordage and growing competition from manmade fibers in industrialized countries are seriously eroding the fiber export earnings of East African countries, the Philippines, Brazil, and Haiti. Also, concern is growing for the future of the Indian and Pakistani jute industries.

Demand for rope is growing in Japan but in other major markets it is rather static or contracting slightly as more modern transport equipment and handling methods are introduced, helping cut the market for natural cordage fibers. Demand for binder twine has all but disappeared since grain combines replaced binders in many areas. Partially offsetting this, baling of hay and straw has burgeoned so that baler twine now provides the largest market for sisal and henequen.

Consumption of jute bags was dampened starting in the forties by wider use of other materials, notably multi-wall paper sacks and cellophane. The subsequent growth of bulk-handling methods caused further contraction in demand for jute bags in the industrialized countries. For example, civilian demand in the United States for heavy-duty woven bags is declining by an estimated 5 percent a year.

Imports of jute and jute goods into less developed countries expanded between 1955 and 1966. However, a recent FAO study of Africa (and, by implication, of other less developed areas) shows that domestic fiber production will likely increase, eventually reducing import requirements and dashing the expectations of exporting countries.

The synthetics

It is the manmade fibers, though, that pose the most serious threat to world trade in jute and cordage fibers. Generally speaking, they have outstanding technical characteristics such as strength, durability, and moisture resistance. But, as an added advantage, their price and availability are comparatively constant; not subject to such vagaries as shipping difficulties and crop conditions in distant lands, as are the natural fibers. This stability makes them very attractive to manufacturers of fiber goods. The finished products are judged mainly by utilitarian standards so that cost becomes the primary factor governing substitution of synthetic for natural fibers.

Abaca is the strongest and most durable of these fibers; also, the most expensive and first to feel the impact of synthetics. Nylon began to replace abaca during the early fifties in the manufacture of fishing nets and marine cables, special purposes that warrant the higher cost. Marine cordage was once a substantial outlet for abaca, but is now almost completely suppled by synthetics.

Nylon is still too expensive to compete with natural fibers in making twine and many kinds of rope, as are the polyesters developed slightly later than nylon. More severe inroads by synthetics awaited development in the early sixties of polypropylene and high-density polyethylene, which are much cheaper than nylon.

Polypropylene is now fully competitive with sisal in rope manufacture, even though fiber prices are markedly low. Over half of total rope requirements in five industrialized countries were filled by synthetics in 1966, according to an FAO study. Among cordage products, only baler twine offers a firm market for natural fibers, but even this is threatened by synthetics.

Jute has also come under fire from polypropylene fiber and high-density polyethylene which, within relatively few years, has made impressive inroads in the market for packaging material and carpet-backing. World demand for these products has grown so rapidly that, although jute consumption has been able to expand slightly, its share of the total market has decreased significantly.

The price of synthetics has fallen in recent years and is ex-

From left, baled sisal being unloaded for shipment; sisal plants not given even minimum attention go to seed, stopping production as has occurred in this field; fisherman at Hastings, England, ties a polyester fish net; power-driven spindle helps workman pull strips of abaca stalk under a knife, producing clean, high-quality fiber.

pected to drop still further, as more factories are being equipped to process it. The best defense for natural fibers lies in prices that are stable and considerably lower than they have been. Thus, smaller export volume coupled with reduced prices will continue to squeeze foreign exchange earnings of fiber exporting countries.

Exporting countries adversely affected

India and Pakistan, the world's top jute producers, have not yet felt the full impact of the adverse factors discussed above. However, their export earnings are likely to decline eventually, given present trends in synthetic prices and world demand. Jute fiber and goods together account for about 20 percent and 45 percent of total export earnings by, respectively, India and Pakistan.

Jute production will be substantially lower in 1968-69 owing to climatic factors in India and Pakistan and to smaller acreage in Thailand. Export prices of jute and jute goods have already risen significantly, encouraging a switch to synthetics.

Abaca prices in 1967 in both the United States and Europe averaged 25 percent below the 1957-60 level. Production in the Philippines, the main abaca producer, has declined steadily since 1963 as growers shift to other crops. Output in 1967 was down 15 percent from that of a year earlier, and a similar drop is expected in 1968. In 1967, the Philippines exported about $16 million worth of abaca, roughly half the value of abaca exports in 1963.

World sisal production fell 5 percent in 1967, with the largest declines in Kenya and Angola. But competition from synthetics was reflected more sharply by increased stocks in Tanzania, the largest exporter, and in a world price drop of roughly 15 percent.

Tanzania's sisal exports fell from an average of $51.7 million during 1962-65 to $28.1 million in 1967—from 27 percent of the value of total exports to 12 percent. Comparing the same two periods, Kenya's sisal exports fell from $15.2 million to $5.8 million. Prices have risen appreciably during 1968 owing to a system of export limitations informally adopted by producing countries. However, there is still little prospect of prices recovering to former levels.

Henequen, grown mainly in Mexico, is the cheapest of the standard cordage fibers and has suffered the least from synthetics or new handling methods. Still, the price of henequen twine has drifted downward in the last few years, presumably reflecting sharper competition from sisal.

New uses sought

Certain low grades of jute and cordage fibers find outlets in such uses as electrical insulation, carpet underlay, padding, and paper making. While these markets are important, cordage and woven goods remain the primary outlets and govern the market price. Efforts are underway to find new uses for natural fibers, uses in which synthetics cannot compete as well, but results to date are not promising.

Increased use of manmade fibers suggests that land now growing natural fibers could be diverted to food crops, thus enlarging the world food supply. But fiber crops are an important source of cash income to millions of farmers, while manufacture of fiber goods is an important means of employment in some underdeveloped countries, notably India and Pakistan. Hence, lower prices and reduced consumption could require difficult adjustments in many areas.

The U.S. Agricultural Attache in Dublin reports on—

Good Wheat Crop Brings Problems of Surplus

This was a golden year for Irish wheat farmers. Yields were the highest on record, weather conditions at harvesttime were good, and it is estimated that the value of the crop to the farmers is between $28.8 million and $31.2 million. However, the good harvest has left the country with a surplus of at least 75,000 long tons of millable wheat which will be directed into animal feed at a cost of $3.6 million. It also means the use of more native wheat in the grist, which could push the price of the 2-pound loaf up by as much as 2 cents.

High quality crop

By the end of November, practically all of this year's wheat crop had been purchased by the Irish flour millers—324,000 long tons (dried weight), including 304,000 officially classified as millable, 11,500 classified as potentially millable, and 8,500 classified as unmillable. Unofficial estimates indicated that between 2,000 and 3,000 tons of this year's crop were still to come on the market. Some of this was intended for seed wheat but failed germination tests.

All of the wheat classified as millable and potentially millable was purchased at the Irish Government's designated range of support prices, based on a standard price of $84 per long ton for green wheat with 20 percent moisture weighing 60 pounds per bushel, delivered to the purchaser's premises. Wheat officially classified as unmillable was purchased at $54 per long ton for 20-percent-moisture wheat delivered to purchaser's premises.

The Irish Government's policy is to reserve for Irish farmers 75 percent of Ireland's annual requirements for milling wheat. The government estimates that this share will amount to 240,000 long tons (dried weight) during the current year. As of late November, that left a surplus of 75,500 tons of millable wheat (on the assumption that all the 11,500 tons of potentially millable will be classified as millable) from the 1968 crop. This surplus, already paid for by the millers at millable prices, will now have to be disposed of at lower prices for animal feed.

Surplus disposal plan

According to the Agricultural Produce (Cereals) (Amendment) Act, 1958, losses on disposal of surplus millable wheat were to be met by a levy imposed on all millable wheat. The procedure followed so far under the Act was that every July the government estimated the probable quantity of millable wheat from the next harvest, and if a surplus was forecast, a levy was imposed. However, last July no surplus was forecast and no levy was imposed.

Forecasting the millable portion of any Irish wheat crop is very much a matter of guesswork. A large crop sometimes does not produce as much millable wheat as a smaller one, if the weather is bad. This year was unusual from the viewpoint of both weather and yields. Most of the crop was harvested under good conditions, and yields averaged around 65 bushels (green weight) per acre—all of which resulted in a bumper crop with less than 3 percent unmillable. The government has now decided to meet the cost of disposing of this year's surplus, despite the fact that it is not obliged to because no surplus was forecast.

New Supports for Beef and Dairy Farmers Initiated

The Irish Government has announced new measures of support for owners of dairy and beef herds. Prices of manufacturing milk are to be increased by one cent per imperial gallon of 10.32 pounds, and a new beef incentive bonus scheme is to be introduced entailing the payment of £8 ($19.20) per year for each calved cow in excess of two in beef herds.

Neil T. Blaney, Minister for Agriculture and Fisheries, said he hoped the new measures would curb Ireland's rising milk production and encourage beef production based on both single and multiple mother-calf rearing.

Two tier principle

The direct payment made by the government on manufacturing milk delivered to creameries is to be increased from 7 cents per gallon to 8. (This payment is in addition to the government's program providing a bonus on manufacturing milk of designated quality, which remains unaltered at 2 cents per gallon.) The increase, effective from September 1 of this year, is payable only on supplies up to a ceiling of 7,000 gallons per farmer per year—a quantity representing a dairy herd of about 14 cows. This means that about 80 percent will receive the increase on all supplies.

The introduction of a two-tier (two-priced) principle based on volume for supporting manufactured milk is new in Ireland. The Minister said that it was indicative of price support for milk in the future, and that in introducing it he had the smaller farmer especially in mind. The rise in the milk price is expected to cost $4 million; it will bring total government support on milk to over $60 million.

Beef incentive

The beef incentive scheme, due to commence in April 1969, is aimed at farmers not in commercial milk production. (A commercial milk producer is defined as one who produces milk for manufacturing or for the fluid milk trade.) Payment of the bonuses for calved cows in excess of two in beef herds is expected to cost $14.4 million annually.

The new measures, which came after weeks of farmer demands for higher milk prices (see *Foreign Agriculture*, Oct. 28, 1968), were not well received by farmers generally. The National Farmers' Association (NFA), which had wanted an increase of 4 cents per gallon, described the one-cent increase as "a mere pittance" and said it would be of no real benefit. The Irish Creamery Milk Suppliers' Association (ICMSA), which had asked for 3 cents, said they were glad the government accepted their principle of a two-tier price for milk but the increase itself was "an insult."

—Based on dispatches from EUGENE T. RANSOM
U.S. Agricultural Attaché, Dublin

Past and prospects

U.S. Oilseeds and Oils in Export Markets

Huge soybean crops have put the United States on top in aggregate world oilseed and oilseed-product trade and kept it there for many years. This dominance is seen in a $1.2-billion U.S. export in each of the past 3 fiscal years—double the value of oilseed and oilseed-product shipments at the beginning of the decade. And it's seen in a U.S. share of the overseas market that totals nearly 30 percent for edible oils and 50 percent for cakes and meals.

Under the surface of this seemingly buoyant trade, however, lies a problem which plagues other countries as well as the United States. The problem is, essentially, that the end products of oilseed crushing—oil and meal—are not enjoying parallel growth in demand. Oilseed cake and meal is today experiencing soaring popularity because of its rising use in livestock and poultry feed. Vegetable oil, on the other hand, has no rapidly expanding end use to siphon off stocks, and supply is in excess of effective demand. Complicating this problem have been the expanded and cut-rate exports of Soviet sunflowerseed oil, plus the tendency of developed countries to produce their own oil from imported oilseeds.

A look at world supply-demand

Unfortunately for oilseed producers and crushers, getting the meal also means producing the oil. This unavoidable relationship has resulted in an oil production growth rate (4.8 percent yearly) which is more than twice that for population and a per capita supply of edible vegetable oil that is over one-fourth above the 1955 level. This would not necessarily have caused a supply-demand imbalance if population gains had translated into oil consumption gains.

But such was not the case. Most of the added population came in developing countries, which theoretically should be using more vegetable oil but most often cannot because of unfavorable balances of payments and limited consumer buying power. In cash markets, on the other hand, consumption has been expanding slowly—only as fast as the slow rates of population growth—because of an already large per capita usage of vegetable oil.

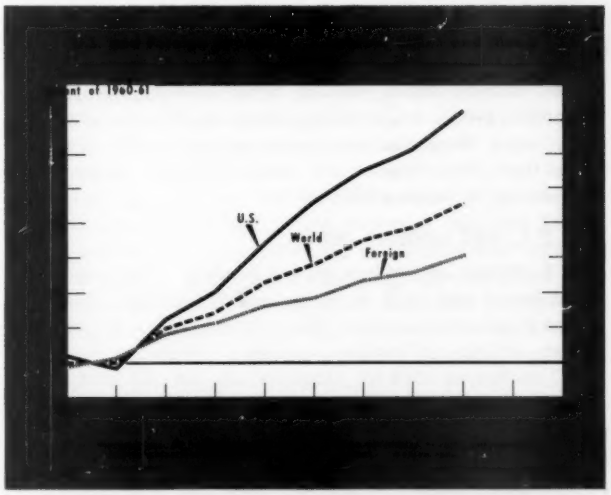
The net result of all this has been an enlarging gap between production and consumption, plus a steady decline in prices for nearly all major edible fats and oils. Among products now selling well below 1967 and 1960-64 prices are soybean, sunflowerseed, rapeseed, palm, and fish oils. Unfavorable weather did reduce export availabilities—and thus increase prices—of lauric acid oils (coconut and palm kernel oils), which have a limited substitutability. However, this is only a short-term development, and prices will ease as supplies increase.

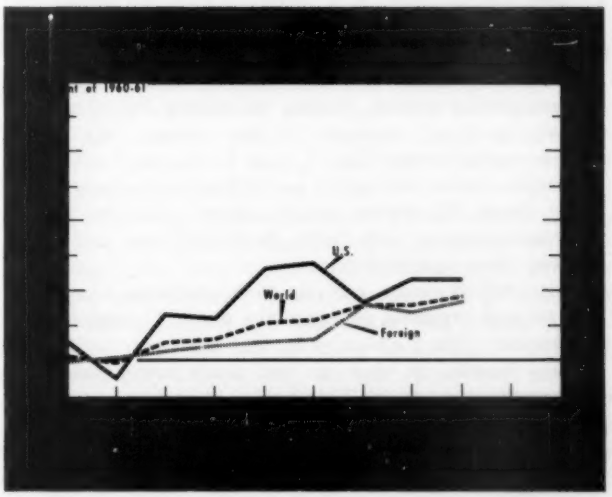
The future for vegetable oils is clouded by prospects for further advances in production of sunflowerseed, copra, peanuts, soybeans, and—particularly—African palms; new plantings of the latter in Malaysia and equatorial Africa could yield sharp gains in future production and exports. Among the few products running against this upward trend is rapeseed, production of which will probably level off.

While edible vegetable oils are suffering from overproduction and underconsumption, meal has displayed such vigorous growth that in most years demand exceeds supply. This product's strength is seen not only in the rapid growth of meal trade, but also in the expansion of crushing facilities. It is also seen in prices that today generally exceed those of 1960-64, especially for soybean and fish meals. Prices for soybean meal in Europe during January-September 1968, for instance, averaged $109 per ton, or about 2 percent above those in the 1967 period and 15 percent above the 1960-64 average.

Looking to the future, meal is expected to enjoy continued strong demand, although gains will probably be at a slower rate than in earlier years as livestock expansion eases and feeding rates approach optimum levels.

Soybeans have gained favor in the foreign market because they have a high content of meal, which provides a palatable, relatively low-cost source of protein with a highly desirable amino acid balance for all types of livestock feed, particularly for poultry. However, the expanding use of urea and high lysine corn could have an impact upon the future market for soybean meal.





It is because of the viable overseas demand for soybean meal that the United States is today securely on top in world trade of oilseeds and oilseed products combined. Of the $1.2 billion worth of these products shipped out during fiscal 1968, $1.1 billion was earned by soybeans, with beans sold for crushing abroad bringing in $750 million; meal exports, $241 million; and oil exports, $117 million. U.S. soybean meal's share of the total export has steadily increased in recent years, while oil's has declined; soybeans as such have consistently accounted for about two-thirds of total sales.

The U.S. gainers—soybeans and meal

On a volume basis, U.S. soybean exports in fiscal 1968 amounted to 265.2 million bushels, up 5 percent from a year earlier and 85 percent from 1960-61. A further gain—to 280 million bushels—is seen for fiscal 1969. The EEC and Japan, accounting for 35 and 27 percent of last year's total, have been responsible for nearly seven-eighths of the gain since 1960-61. Perhaps the most remarkable development elsewhere has been growth in sales to Spain—from under 1 million bushels in fiscal 1962 to 29 million in fiscal 1968.

Volume of soybean meal exports last fiscal year, at 2.9 million short tons, was 352,000 tons above that in fiscal 1967 and over five times the export in fiscal 1961. Sales to the EEC rose to 2.0 million tons from 1.6 million in 1966-67.

The current supply and demand situation indicates a 300,000-ton gain for the meal in fiscal 1969. However, should foreign oil prices strengthen (a distinct possibility in view of the outlook for a reduced Soviet-Eastern Europe sunflowerseed crop), the crushing margin in Europe would become more favorable; our bean exports would then rise more than the estimated 15 million bushels, while meal's gain would be below expectations.

The P.L. 480 product—oil

U.S. exports of soybean oil, not keeping in step with those of soybeans and meal, have increasingly moved under government programs rather than commercially. In 1967-68, exports totaled 1,011 million pounds—a slight decrease from 1,052 million in 1966-67. However, the tally for commercial sales last year tumbled 55 percent below the 1966-67 level and 56 percent below 1960-61's. Accounting for the sharp reduction, particularly in sales to Europe, was the growing competition from lower priced foreign oils plus soybean oil crushed abroad from U.S. beans. Remaining commercial markets are chiefly where the United States enjoys a location advantage—among them Canada, Haiti, and Panama.

While commercial sales fell, P.L. 480 oil exports rose 14 percent to 878 million pounds, accounting for 87 percent of last year's oil shipment. Of this amount, 663 million pounds moved under Title I, with India and Pakistan far the largest outlets, taking 211 and 219 million pounds respectively. Some 215 million pounds moved under the Title II donation program, with India, South Vietnam, and Brazil the top three recipients here.

For 1968-69, some gains in both commercial and P.L. 480 sales of vegetable oils may take place. Through the end of October, Title I contracts for this fiscal year totaled 653 million pounds, or close to last year's actual shipments; later contracts could lift Title I sales 10 percent above those in 1967-68, while donations will probably remain unchanged. As in the past, Pakistan and India will take the lion's share of Title I exports—contracts already signed call for exports of 165 million pounds to Pakistan and 123 million to India. Commercial markets that may take more oil this year are Burma, Ecuador, Hong Kong, and Iran.

Larger cottonseed oil supplies should also favor expansion in exports of edible oils.

Developing world markets

Aiding sales of these and other agricultural products has become a major function of USDA's Foreign Agricultural Service, which is cooperating with several producer and trade groups in promoting U.S. oilseeds overseas. With help from FAS, extensive market development work is now being performed by the American Soybean Association in Japan, by the National Peanut Council in the United Kingdom, and by the Soybean Council of America in Western Europe and Iran. In addition, the Soybean Council conducts technical assistance activities in many other countries.

In Japan, top market for U.S. soybeans, the American Soybean Association has as one of its activities the promotion of soybean oil. This campaign, built around a weekly television show, instructs homemakers on how soybean oil can be used in various dishes. Other soybean oil-based foods have been promoted in retail stores, at trade fairs, and through advertising on streetcars and buses.

In West Germany, second largest market for U.S. soybeans and a major market for the meal, the Soybean Council works closely with the German Oil Millers' Association in promoting soybean meal's use in balanced livestock feeds. Participation of U.S. feed specialists in livestock seminars, feeding trials at universities, and promotional exhibits at agricultural fairs have stimulated the use of about 1 million metric tons of soybean meal by German mixed feed producers. Another million tons of soybean meal is fed directly to farm livestock in Germany.

In Spain, a monthly bulletin provides the trade with information on latest developments in animal nutrition and use of soybean meal in mixed feeds. Soybean meal sales in Spain totaled 20,000 tons in 1958, the year the publication was started; today, they are about 600,000 tons annually and come almost entirely from the United States. Initially, the cost of the publication was shared by the Soybean Council of America and Spanish feed interests, but this year Spaniards have handled the entire cost.

Assistance and advice on soybean crushing and oil refining in two major extraction plants has helped establish a new market for U.S. soybeans in Venezuela. Venezuelan enterprises requested and received help from the Soybean Council in developing quality soybean oil for consumer use and quality soybean meal for livestock feeding. As a result of this rising interest, the value of U.S. soybean exports to Venezuela will exceed $4 million this year.

In the future, new areas of work will include promotion of identified soybean oil at the retail and consumer levels in France and Germany. Consumer promotion of soybean oil is essential in foreign markets where the housewife has a chance to buy several types of quality vegetable oils.

Peanuts have also benefited from market development. Following a survey of the peanut industry and market in the United Kingdom, the U.S. National Peanut Council helped form the British Peanut Council. This new group, with assistance from the U.S. Council, recently conducted a point-of-sale promotion campaign for peanuts and peanut products, which culminated in a "British Peanut Week" during October.

The Raisin and Nut Trade: Holiday Review

For many people, the religious and national holidays of midwinter mean festivity and special foods. With this seasonal upswing in feasting, consumption of two types of foods—raisins and nuts—increases. Raisins, or dried grapes, have been an ingredient of party dishes in north-European cultures for hundreds of years. Tree nuts are also traditional, either hand-shelled and eaten by themselves or preshelled and used as an ingredient in a variety of prepared treats and snacks. The eight tree nuts most important in world trade and holiday fare are almonds, cashews, filberts (hazelnuts) walnuts, pecans, brazil nuts, pistachios, and chestnuts.

Both raisins and tree nuts have traditional routes in international trade because of the restricted areas in which they are grown and the limited markets available. Raisins can only be successfully cultivated and processed in Mediterranean-type climates. Some tree nuts are strictly tropical. Others require various specialized climates. Some are not cultivated at all and total production is that gathered from wild or untended trees. Markets are restricted by consumers' tastes and buying power. In general, raisins and nuts funnel to northern and central Europe and North America with lesser markets in Australia and Japan.

Raisin growers and raisin eaters

The big five raisin producers of the world are the United States, Greece, Australia, Turkey, and Iran. Production methods, types of fruit grown, and percentage of crops differ greatly from country to country.

The world's single largest dried-grape producer is the United States, which processes over twice as much as the next biggest grower—Turkey. However, most U.S. raisins are consumed domestically. Greece also has a large crop each year of currants and raisins, of which it exports from 75 to 90 percent. Turkey, Greece, Australia, and the United States are the largest exporters of raisins. Iran, which is the smallest of the top five producers, is fifth among exporters.

English-speaking people seem to be the world's champion raisin eaters. Inhabitants of Ireland average 6 pounds per person per year; New Zealanders over 5½ pounds each; residents of the United Kingdom rank a solid third with nearly 5 pounds a year per person; Australians consume over 4 pounds per capita per year; the Dutch (an exception to the rule) eat almost 4 pounds each a year; the Canadians, sixth in rank, average over 2½ pounds each a year. Other substantial raisin consumers on a per capita basis are the Scandinavian countries, West Germany, Belgium, Austria, and Switzerland. The French, Italians, Greeks, Turks, and Iranians all have low levels of consumption. In the United States, the average person eats about 1½ pounds of raisins a year.

The United Kingdom dwarfs all other importers. With only 4 percent of the population of raisin-importing countries, it buys about one-fourth of the raisins in world trade and about three-fourths of the currants. The currant trade is particularly specialized. Only two countries, Greece and Australia, raise and export currants in any quantity, and Greece produces more than 90 percent of those available. Besides the United Kingdom, the only major buyer is the Netherlands. West Germany, Canada, and Ireland are minor outlets.

Raisins are used extensively in the United Kingdom in breads, buns, scones, pastries, candies, puddings, and as garnishes on a number of dishes. Currants are used chiefly in making bread, pastries, and puddings. Raisins are also eaten by themselves.

Since before World War II, the world's second-ranking raisin market has been Germany, though it imports only about one-third the quantity of Britain. The Soviet Union has lately become the third most important buyer, and Canada is now fourth and the Netherlands fifth.

The country with the most rapid recent growth in raisin eating is Japan. Twenty years ago its raisin consumption per person was nearly nil. Now the average Japanese eats about one-third of a pound of raisins a year. The sharp rise in Japanese imports has been of particular benefit to U.S. exporters, who supply most of Japan's raisins.

A geography of nuts

In general, nuts in international trade come from countries bordering the Mediterranean, from the Middle East, and from the west coast of the United States. Almonds, filberts, walnuts, pistachios, and chestnuts follow this pattern. Three important nuts are exceptions. Cashews are strictly tropical nuts and are produced chiefly in east Africa and India; brazil nuts grow only in Brazil and a few neighboring countries; pecans are found chiefly in the southeast and south-central United States.

An analysis of international nut trade is not easy. Statistics are sketchy for some products and countries and some figures are given in ways that make comparison with other figures difficult or questionable. But, as with raisins, in general, the Mediterranean and Middle East countries, plus the United States, are the big producers; and north-European countries plus the United States and Canada are the chief buyers.

Almonds are one of the most important and popular nuts in international trade. Sweet almonds are used whole, sliced, diced, or ground into paste in a variety of candies, pastries, breads, and selections of salted nuts.

In the United States over 40 percent are used in confectionery; another 14 percent are roasted and salted and sold by themselves or with other nuts; about 11 percent are sold in grocery stores for household use; ice cream manufacturers use about 8 percent of the total. An increasingly important use is in prepared food mixes and frozen foods—for example, cake and frosting mixes and frozen green beans with sliced almonds.

In Europe almonds are used extensively in baked goods, with a thin coating of sugar or chocolate as a candy, in marzipan (a candy made of almond paste), in ice cream, and by themselves, often roasted and salted.

The three major almond producers of the world are Italy, Spain, and the United States. Estimated production for 1968 is, shelled basis: Italy, 54,000 short tons; Spain, 50,000 short tons; the United States, 41,000 tons. Actually production is quite variable, and Italy is not always the leading grower. Spain, and even the United States, occasionally takes over first rank. Italy is consistently the leading exporter, however, though Spain's sales are usually a close second. The United States, in third place, has much smaller foreign sales, but they are expanding rapidly. It is the only major exporter that has substantially increased sales during the last decade.

Another noticeable trend is increased sales to new markets, such as Japan.

Cashews are extremely popular in many parts of the world. In the past cashews have been used chiefly whole kernel and salted either in mixtures with other nuts or by themselves. The cashew is now gaining acceptance with bakers and confectioners.

Cashews originated in tropical America. They were taken by the Portuguese to India, where they thrived, and were later taken from both Brazil and India to east Africa. In 1968 the major producer of raw cashew nuts were: Mozambique, 150,000 short tons (shells included in all figures given); India, 95,000 tons; Tanzania, 67,000 tons; and Kenya, 9,000 tons. Many of the nuts produced in east Africa were shipped to India for processing, though some were processed in the countries of origin. Therefore, India was the chief exporter of processed cashew kernels with 57,600 short tons in 1967. Mozambique exported 6,300 tons of kernels processed in the country; and Tanzania sold 1,600 tons.

By far the world's biggest buyer of cashews is the United States, which purchased 33,800 short tons of kernels in 1966-67. Other major purchasers were the USSR (14,300 short tons of kernels in 1966), and East Germany, the United Kingdom, West Germany, Australia, and Canada.

Filberts (hazelnuts) have enjoyed much favor in northern and central Europe as a delicacy, and their production and use has gradually increased. Filberts are better known in Europe than in the United States; they are used in Europe in a wide variety of baked goods, desserts, and candies. In the United States a large proportion of filberts are sold in-shell with other nuts for cracking and eating during the winter holidays. Another use is in the "bridge mixes" of roasted and salted nuts popular in the United States.

The four major producers of filberts in 1968 are Turkey (160,000 short tons), Italy (80,000 tons), Spain (22,000 tons), and the United States (9,000 tons), all in-shell basis. Turkey is the giant among exporters (140,100 short tons, in-shell basis, in 1966-67), followed by Italy (54,000 tons) and Spain (17,000 tons). U.S. exports are extremely small; actually, the United States is a net importer of about 5,000 short tons (in-shell basis) a year.

The best appreciators of the filbert are obviously the West Germans, who bought almost 75,000 short tons, in-shell basis, in 1965-66. The next biggest buyer was France with 13,700 tons. Switzerland and the United Kingdom, which used to be second and third to Germany in consumption, have cut filbert imports drastically in recent years to 9,780 and 7,400 tons, respectively, in 1965-66. But a number of Communist countries have suddenly increased imports and consumption. For example, in 1961-62 Hungry imported about 800 short tons; in 1965-66 the figure had leapt to over 9,000 tons. In 1961-62, the USSR is not known to have bought any filberts; in 1965-66 it purchased over 10,000 tons.

Walnuts are a traditional holiday palate treat in both Europe and North America. In the United States large numbers are sold in-shell for home cracking and eating. Shelled nuts in vacuum-packed cans and sealed plastic packages are becoming increasingly popular and are sold in grocery stores to housewives whose use them in preparation of special dishes and desserts. Different sizes of nut fragments, from quarter kernel down to a coarse grind, are sold in the plastic packages. Small amounts of shelled walnuts are sold to bakers, confectioners, and ice cream manufacturers. In Europe many walnuts are sold in-shell for home consumption and home food preparation. Large quantities of shelled nuts, however, are sold to confectioners and bakers, whose customers place a strong emphasis on having perfect walnut halves in the finished product.

Commercial walnut production in Europe in recent years has been more or less static, and so has that in the United States. The U.S. crop in 1967 was 76,000 short tons, in-shell, and probably the biggest in the world. The two big producers in Europe, France and Italy, had crops of 31,000 and 26,000 short tons, respectively. India produced about 14,300 short tons, and Turkey about 8,000 tons. Iran and Yugoslavia were minor producers. Mainland China was also a large producer.

In 1966-67 France, Europe's traditional walnut source, exported 17,100 short tons in-shell basis. Italy, another supplier of long standing, sold 8,400 tons. India sold 9,700 short tons; Turkey exported 3,600 tons; and the United States, which disposes of most of its crop at home, shipped about 5,100 short tons. Judging from import statistics in main consuming countries, Mainland China exported over 18,300 short tons and led in international trade.

A host of countries around the world import minor amounts of walnuts, but Europe is definitely the chief import market. Though nearly all countries in Europe import some walnuts, the two outstanding buyers are West Germany (13,500 short tons, in-shell, in 1965-66) and the United Kingdom (11,000 tons in the same marketing year). Outside of Europe, Canada is the largest importer and bought 12,500 short tons in 1965-66, in-shell. The United States is by far the largest consumer of walnuts, in a normal year using as much as the rest of the world combined.

Pecans are the only important tree nuts that are native to North America. The United States is the only producer in quantity, and the 1967 crop was nearly 104,000 short tons, in-shell basis. The United States is also the only important market for pecans, and in 1967 only about 3,000 short tons were exported—mostly to Canada.

Nearly all pecans are marketed shelled. Around 40 percent of supplies are bought by bakeries; about 20 percent are sold through stores and groceries to households; candy manufacturers use another 20 percent. Small quantities are used by nut salters, ice cream manufacturers, sirup makers, and sellers of fruit-and-nut gift packages.

Pecan trees grow in the southern United States, some in planted and cultivated groves and some wild. Georgia and Alabama are first and second, respectively, in production of cultivated and improved pecan varieties; but they also have production from wild pecan trees. Texas, Oklahoma, and Louisiana, in that order, have large production from wild pecans and some from cultivated varieties.

Brazil nuts are also exclusive to the Americas, and Brazil is the only important producer. The crop harvested varies greatly from year to year because of changes in demand, price, and availability from the wild trees that produce the nuts. In 1966, for example, Brazil shipped 49,000 short tons, in-shell basis; the year before, only 27,000 tons were sold.

By far the chief buyer is the United States, both of shelled and in-shell nuts. In-shell nuts are sold during the mid-winter holidays for home cracking and eating. Most of the shelled nuts are roasted and salted and become an ingredient in party and cocktail nut mixes. In Europe the only quantity purchasers are the United Kingdom and West Germany,

The U.S. Agricultural Attache in Canada Reports on—

Sales Prospects for the 1968 Wheat Crop

Good weather through the last of October and the first part of November enabled Canadian wheat farmers to finish harvesting despite early fears that the harvest might have been spoiled by the wet weather in August and September. However this period of heavy rainfall and frost caused a large part of the crop to be classified as tough or damp. Tough wheat contains 15 percent moisture; damp wheat contains 17 percent or more. Consequently, the predominant grades in this year's crop will probably be Nos. 3 and 4 Northern, with less than 10 percent of the crop expected to reach the No. 1 Northern standard.

Whether and where all the wheat will be sold is still unclear. Talks are reportedly in progress with the Soviet Union, which still has 150 million bushels of Canadian wheat to purchase under a bilateral agreement. This agreement calls for the Soviet Union to purchase 336 million bushels of wheat over a 3-year period ending July 1969. In the first year of the agreement the Soviet Union purchased 112 million bushels but only 75 million in the second year. Extension of this agreement is also a possibility. Mainland China recently purchased 56 million bushels of Canadian wheat for delivery by July 1969. This purchase was made under a 3-year agreement which commenced in August 1966 and called for a minimum of 168 million bushels and a maximum of 280 million over the 3-year period. With the latest purchase, Mainland China has purchased 235 million bushels of wheat against the 3-year agreement. Canada has additional bilateral agreements with Poland and Bulgaria, but those with Czechoslovakia, East Germany, and Hungary have expired.

Canadian wheat officials are reportedly hoping for a 200-million-bushel export to non-Communist countries. To do this, Canadian exporters will have to maintain the levels achieved last year and increase exports to Britain and Japan. This should be feasible since most customers took less than usual last year. Reports indicate that Britain will increase its purchases from 62 million bushels last year to 70 million this year. Japan may take about 50 million bushels, up from 41 million last year.

Foreign aid is another outlet for wheat. Under the new International Grains Arrangement, Canada is committed to contribute 18 million bushels more than its normal aid level, which has been around 15 million a year. Aid, therefore, could take some 30 million bushels. Last year wheat exported as aid amounted to about 25 million bushels, and the year before the total was 54 million bushels. However, these were extraordinary levels.

Damp Grain Policy Adopted

To assist producers holding stocks of damp grain that is liable to go out of condition, the Canadian Wheat Board has announced the following policies:

- Damp wheat, oats, barley, and rye may be delivered at their regular delivery points in excess of the established quotas, provided the total quantity of grain delivered under the specified acreage quota plus this advance quota does not exceed a quota of 3 bushels per specified acre. Entries must be made in the producer's permit book covering advance deliveries with the notation "damp grain."
- Damp rapeseed and damp flaxseed may be delivered in excess of the established quota provided the total quantity of rapeseed or flaxseed delivered under the seeded acreage quota plus this advance does not exceed a quota of 8 bushels per seeded acre or 400 bushels, whichever is larger. Entries must be made in the producer's permit book with the notation "damp rapeseed" or "damp flaxseed."

Elevator manager must keep a separate record of all grain, rapeseed, or flaxseed delivered by producers under this policy for the inspection of the Canadian Wheat Board's representative. Producers may deliver rapeseed and flaxseed within existing quotas to any convenient delivery point.

Rapeseed Research Begins

In an effort to boost domestic use of rapeseed oil and meal, the Canadian Government and the rapeseed industry have begun a 5-year research program to improve rapeseed varieties and promote rapeseed products on the domestic market. The main projects concern meal research. The effect of steam pelleting on rapeseed and the possibility of de-hulling rapeseed are also under study. The government would also like to set up a rapeseed pilot plant at a western university. January-July 1968 exports totaled 389.7 million pounds, down from 478 million in the comparable 1967 period.

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which both buy chiefly in-shell nuts.

Chestnuts are a popular winter delicacy in Europe, especially in France. They are eaten after being roasted in the shell or are consumed in processed form in a variety of desserts, candies, and pastries. France is a leading producer, but is also the leading importer and a growing market. In Europe, the United Kingdom and Switzerland are also major buyers. The exporter of the greatest volume is Italy. Spain and Portugal are the second- and third-ranking shippers. Chestnuts seem to be gaining popularity in Europe.

The United States imports of chestnuts are falling, and the nut is becoming a little-known U.S. holiday item. Chestnuts used to be popular and commercially produced in the country, but a disease called chestnut blight killed all adult trees in the United States in the 1930's and is still so prevalent that there are no producing trees within the country. Imports were cut off during World War II and for a short time afterwards. Apparently Americans, after doing without chestnuts for several years, switched their preferences to other nuts.

Pistachios are harvested largely from uncultivated acreage in the Middle East. Production, in-shell, in 1968 is estimated at 16,000 short tons for Iran, 10,000 tons for Turkey, and between 1,000 and 2,000 tons for Syria. Some other Middle East countries and Italy produce minor crops.

The world's chief importer of pistachios is the United States, which bought about 10,000 short tons, in-shell basis, in 1966-67. In Europe, France buys the most pistachios. Small quantities are imported by a number of Middle East countries, such as Iraq, Israel, Kuwait, and Lebanon.

In the United States pistachios are sold for out-of-hand eating and as an ingredient for special desserts prepared in the home. Another popular use is in ice cream.—FNP.

CROPS AND MARKETS SHORTS

Weekly Report on Rotterdam Grain Prices

Between November 26 and December 3, 1968, offers for U.S. Spring and Argentine wheat decreased 4 cents, and offers for U.S. Hard Winter decreased 2 cents. The price for U.S. Soft Red Winter increased by 2 cents, while that for Canadian Manitoba and USSR 121 remained unchanged.

Argentine corn prices advanced 3 cents, and the offer for U.S. corn by 1 cent. The South African White price remained unchanged.

A listing of the prices follows:

Item	Dec. 3	Nov. 26	A year ago
	Dol.	*Dol.*	*Dol.*
Wheat:	*per bu.*	*per bu.*	*per bu.*
Canadian No. 2 Manitoba	2.02	2.02	2.08
USSR 121	1.97	1.97	(1)
U.S. No. 2 Dark Northern Spring, 14 percent	1.93	1.97	1.98
U.S. No. 2 Hard Winter, 14 percent	1.93	1.95	1.90
Argentine	1.76	1.80	1.92
U.S. No. 2 Soft Red Winter	1.79	1.77	1.77
Corn:			
U.S. No. 3 Yellow	1.39	1.38	1.39
Argentine Plate	1.50	1.47	1.81
South African White	1.63	1.63	1.45

[1] Not quoted.

All quoted c.i.f. Rotterdam for 30- to 60-day delivery.

1968 World Corn Harvest Second of Record

World corn production in 1968 is estimated at 234 million metric tons, 2 percent below the 1967 record crop of 239 million. At 254 million acres, world corn area was virtually unchanged.

The United States corn crop is reported at 112.8 million tons, 6 percent below the record 1967 harvest. U.S. acreage declined 7 percent to 55.9 million acres; yield gained slightly to a new high of 79.4 million bushels per acre.

A detailed table and analysis appears in the November *World Agricultural Production and Trade—Statistical Report.*

Large South African Corn Exports Continue

South African export sales of corn during May 1-November 15 amounted to 2 million metric tons, about the same as the high level of sales during the same period in 1967. This was possible despite a 1968 corn crop that totaled only 5.2 million tons, compared to 9.6 million in 1967. Carry-in stocks on May 1, 1968, were about 3 million tons.

U.S. Tobacco Exports Decline in October

October 1968 exports of unmanufactured tobacco from the United States totaled 38.8 million pounds, valued at $35.2 million and representing a decline from the unusually high export movement in the previous 2 months. In October 1967, 50.7 million pounds, valued at $37.8 million, were exported. Cumulative totals for the 10-month period (January-October 1968) continue to indicate some increase in quantity and value of exports over the same period in 1967.

Export value of tobacco products was also down in October but remain ahead in cumulative value for the 10-month (January-October) period. A cumulative declared value of tobacco products exported so far in 1968 totaled $132.7 million, compared to $114.7 million in the same period of 1967.

U.S. EXPORTS OF UNMANUFACTURED TOBACCO

Kind	October		January-October		Change from 1967
	1967	1968	1967	1968	
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*Percent*
Flue-cured	39,132	29,567	321,263	340,313	+ 5.9
Burley	3,395	1,404	39,171	35,102	−10.4
Dark-fired Ky-Tenn.	2,451	707	17,600	17,540	− .3
Va. Fire-cured [1]	476	263	3,550	4,437	+25.0
Maryland	773	558	11,994	11,806	− 1.6
Green River	9	28	858	502	−41.5
One Sucker	21	218	799	729	− 8.8
Black Fat	250	148	3,358	2,195	−34.6
Cigar wrapper	383	410	3,211	3,890	+21.1
Cigar binder	101	80	1,621	2,091	+29.0
Cigar filler	24	294	638	570	−10.7
Other	3,641	5,104	31,841	44,776	+40.6
Total	50,656	38,781	435,904	463,951	+ 6.4
	Mil. dol.	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Percent*
Declared value	37.8	35.2	300.9	398.2	+32.3

[1] Includes sun-cured.

Bureau of the Census.

U.S. EXPORTS OF TOBACCO PRODUCTS

Kind	October		January-October		Change from 1967
	1967	1968	1967	1968	
Cigars and cheroots					*Percent*
1,000 pieces	8,237	3,955	65,630	58,835	−10.4
Cigarettes					
Million pieces	1,680	1,579	19,778	21,832	+10.4
Chewing and snuff					
1,000 pounds	22	0	253	207	−18.2
Smoking tobacco in pkgs.					
1,000 pounds	185	53	1,062	1,488	+40.1
Smoking tobacco in bulk					
1,000 pounds	1,010	770	13,561	16,947	+25.0
Total declared value					
Million dollars	10.1	9.1	114.2	132.7	+16.2

Bureau of the Census.

U.S. Cotton Exports Light

Exports of U.S. cotton in the first 3 months (August-October) of the current season totaled 627,000 running bales, compared with 796,000 shipped during the same period a year earlier. October exports amounted to 152,000 bales, compared with 262,000 in September and 275,000 in October of 1967. The sharp drop in October was influenced by the Longshoreman's strike during the first week of that month.

The strike has not been settled, and work is continuing under the 80-day cooling-off period provided for by the Taft-Hartley Act. The 80-day period will expire on December 20.

Cotton exports to Europe in the current season are 109,000 bales below the shipments during the same months of 1967-68 and 154,000 bales below the shipments in the same period of 1966-67. Manmade fibers continue to claim a larger share of the textile market in those countries, and imports are running below consumption as world cotton prices decline.

U.S. COTTON EXPORTS BY DESTINATION
[Running bales]

Destination	Year beginnnig August 1				
	Average 1960-64	1966	1967	Aug-Oct 1967	Aug-Oct 1968
	1,000 bales	*1,000 bales*	*1,000 bales*	*1,000 bales*	*1,000 bales*
Austria	23	4	1	1	0
Belgium-Luxembourg	121	52	45	10	6
Denmark	14	8	10	3	1
Finland	17	15	11	2	0
France	319	163	148	26	21
Germany, West	269	159	100	25	7
Italy	345	263	253	57	23
Netherlands	110	31	36	4	4
Norway	13	10	7	1	2
Poland & Danzig	125	78	77	26	20
Portugal	21	1	8	(1)	2
Spain	74	1	7	(1)	2
Sweden	81	71	75	17	9
Switzerland	74	79	60	20	10
United Kingdom	244	153	125	28	10
Yugoslavia	112	139	64	4	0
Other Europe	17	11	25	3	1
Total Europe	1,979	1,238	1,052	227	118
Australia	61	17	17	7	0
Bolivia	7	9	0	0	0
Canada	353	297	142	49	20
Chile	18	3	1	(1)	(1)
Colombia	3	1	0	0	0
Congo (Kinshasa)	6	34	13	(1)	0
Ethiopia	9	9	22	3	5
Ghana	1	15	12	1	5
Hong Kong	148	183	299	50	76
India	314	289	342	71	5
Indonesia	40	161	70	0	0
Israel	15	2	4	1	1
Jamaica	4	5	1	(1)	0
Japan	1,192	1,293	1,103	190	153
Korea, Republic of	261	372	351	107	130
Morocco	12	14	35	3	1
Pakistan	14	3	18	(1)	0
Philippines	123	134	154	18	34
South Africa	41	38	23	3	1
Taiwan	209	373	378	42	44
Thailand	34	70	90	16	17
Tunisia	2	15	14	3	0
Uruguay	6	0	0	0	0
Venezuela	8	1	(1)	0	0
Vietnam, South	46	66	24	0	6
Other countries	18	27	41	5	11
Total	4,924	4,669	4,206	796	627

[1] Less than 50 bales.

Spanish Table Olives Above Average

Spain's 1968 table olive crop is reported below the large 1967 crop but above average. Production is estimated at 55,600 short tons, which is 22 percent below the crop of 71,000 tons last season but 18 percent above the 1962-66 average. Persistent drought and high temperatures hindered normal development, and sizing is reportedly below normal. Production of exportable varieties is estimated as: Manzanillas and similar, 18,700 tons; Queens, 24,300; and others, 2,200.

Total 1968-69 season exports are forecast at 38,600 tons, 17 percent below the 1967-68 season estimate of 46,400 tons. A breakdown by type of exports for the first 7 months of the 1967-68 season show 22 percent of the crop to be whole olives; 59 percent, stuffed olives; 3 percent, pitted olives; 6 percent, broken; and 10 percent, specials. The United States was again the most important market for Spanish table olives. Canada, Italy, the United Kingdom, and Puerto Rico were the other major outlets.

SPAIN'S PRODUCTION AND EXPORT OF TABLE OLIVES

Item	Production	Exports	Domestic consumption
1967-68 estimated:	*Short tons*	*Short tons*	*Short tons*
Exportable varieties [1]			
Manzanilla and similar	28,700	21,000	7,700
Queens	38,600	24,000	14,600
Other	1,700	1,400	300
Nonexportable varieties	2,000	—	2,000
Total table olives	71,000	46,400	24,600
1968-69 revised:			
Exportable varieties [1]			
Manzanilla and similar	18,700	14,300	4,400
Queens	24,300	22,600	1,700
Other	2,200	1,700	500
Nonexportable varieties	10,400	—	10,400
Total table olives	55,600	38,600	17,000

[1] Only Manzanillas (and similar) and Queens are considered by the Spanish Government suitable for the U.S., Canadian, and Puerto Rican markets. Other exportable varieties are shipped elsewhere.

EXPORTS OF SPANISH TABLE OLIVES BY COUNTRY OF DESTINATION

Country of destination	Calendar		Jan.-June	
	1966	1967	1967	1968
	Short tons	*Short tons*	*Short tons*	*Short tons*
United States	42,134	34,870	20,055	19,093
Canada	4,210	3,686	1,858	1,672
Italy	2,798	3,788	2,920	553
United Kingdom	862	613	416	468
France	1,048	1,316	847	278
West Germany	680	624	311	248
Brazil	3,013	1,294	798	217
Romania	1,813	1,344	—	166
Other	4,803	4,474	2,081	1,030
Total	61,361	52,009	29,286	23,725

Spanish Ministry of Commerce and Spanish Customs Office.

India Expects Record Cashew Sales

India's cashew shelling industry expects to export a record 62,500 short tons of shelled cashews in 1968. About one-third of this consists of homegrown nuts and two-thirds is from imports. In spite of the fact that Mozambique has a rapidly growing, higher mechanized shelling industry, India's traditional manual shelling operation continues to compete successfully. Both a growing world demand for and rapidly increasing production of cashews has made this possible.

India's 1968 harvest of raw cashews equaled the record 100,000 short tons produced in 1967. In addition, Indian imports of African nuts for processing are expected to total

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a record 200,000 tons during calendar 1968. By comparison, 1967 imports totaled only 158,400 tons, and the 1960-64 average was 151,400 tons.

INDIA'S CASHEW SUPPLY AND DISTRIBUTION

Item	Average 1960-64	1966	Revised 1967	Preliminary 1968
	1,000 short tons	*1,000 short tons*	*1,000 short tons*	*1,000 short tons*
Beginning stocks (Jan. 1)	16.1	16.0	10.0	2.0
Production	81.0	85.0	100.0	100.0
Imports	151.4	155.1	158.4	200.0
Total supply	248.5	256.1	268.4	302.0
Exports [1]	228.8	225.5	246.1	265.0
Domestic disappearance	8.8	20.6	20.3	22.0
Ending stocks (Dec. 31)	10.9	10.0	2.0	15.0
Total distribution	248.5	256.1	268.4	302.0

[1] Kernel exports converted to raw nut basis at 4.27:1 all years except 1964 when 4.78 was used.

CASHEW PRICES

Item	1965	1966	1967	1968
African raw nuts: [1]	*U.S. dol. per short ton*	*U.S. dol. per short ton*	*U.S. dol. per short ton*	*U.S. dol. per short ton*
Jan. 1	161.25	168.75	179.69	186.35
Feb. 1	180.38	187.50	178.50	205.63
Mar. 1	182.81	201.56	159.46	203.01
Apr. 1	178.13	215.63	174.93	201.35
May 1	185.63	225.00	178.50	200.28
June 1	187.50	225.00	189.80	193.85
July 1	197.81	226.10	187.42	194.92
Aug. 1	184.69	211.82	177.43	201.35
Sept. 1	176.25	211.82	174.93	194.92
Oct. 1	177.19	179.69	174.93	194.92
Nov. 1	168.75	181.12	175.64	—
Dec. 1	159.38	174.93	173.74	—
Indian kernels: [2]	*U.S. cents per pound*	*U.S. cents per pound*	*U.S. cents per pound*	*U.S. cents per pound*
Jan. 1	58.0	61.0	59.0	65.0
Feb. 1	61.0	64.0	56.5	73.0
Mar. 1	59.0	68.0	55.0	70.5
Apr. 1	58.0	73.0	55.0	69.5
May 1	57.5	79.0	57.5	71.0
June 1	59.0	74.0	61.0	70.5
July 1	63.0	71.0	65.0	69.5
Aug. 1	65.0	76.0	62.0	70.0
Sept. 1	63.0	77.0	63.0	70.0
Oct. 1	63.0	73.0	65.0	70.0
Nov. 1	62.0	70.0	63.0	—
Dec. 1	59.5	65.0	66.0	—

[1] Angochees, c.i.f. Cochin. (Converted from rupees at 1 rupee = 21 U.S. cents through June 1966 and 1 rupee = 13.33 cents thereafter.)

[2] 320 count in 25-pound tins, c.&f. New York.

During January-July 1968 India exported 39,200 tons of cashew kernels, as compared with 34,300 during the same period of 1967. Most of the increase went to the Soviet Union. However, the United States is still, by far, the largest market for Indian cashews.

Reflecting the strong world demand for shelled cashews, 1968 kernel prices have stayed consistently above last year's levels in spite of record Indian sales. In fact, the only recent year when prices have been higher was in 1966 when Indian exports were below average. The c.&f. New York quotation for 320 count kernels in 25-pound tins is currently at 70 cents per pound.

INDIA'S CASHEW KERNEL EXPORTS BY DESTINATION

Destination	Calendar years 1965	1966	1967
	Short tons	*Short tons*	*Short tons*
Germany, East	4,013	2,571	2,700
Soviet Union	14,677	14,279	13,890
Soviet oriented countries	272	503	648
Subtotal	18,962	17,353	17,238
United States	29,815	25,624	29,159
United Kingdom	3,149	2,534	3,039
Canada	1,665	1,445	2,090
Australia	1,505	1,372	2,011
Other Countries	4,212	4,489	4,103
Total	59,308	52,817	57,640

World Crops and Markets

Cotton

14 U.S. Cotton Exports Light

Fruits, Vegetables, and Nuts

15 Spanish Table Olives Above Average

15 India Expects Record Cashew Sales

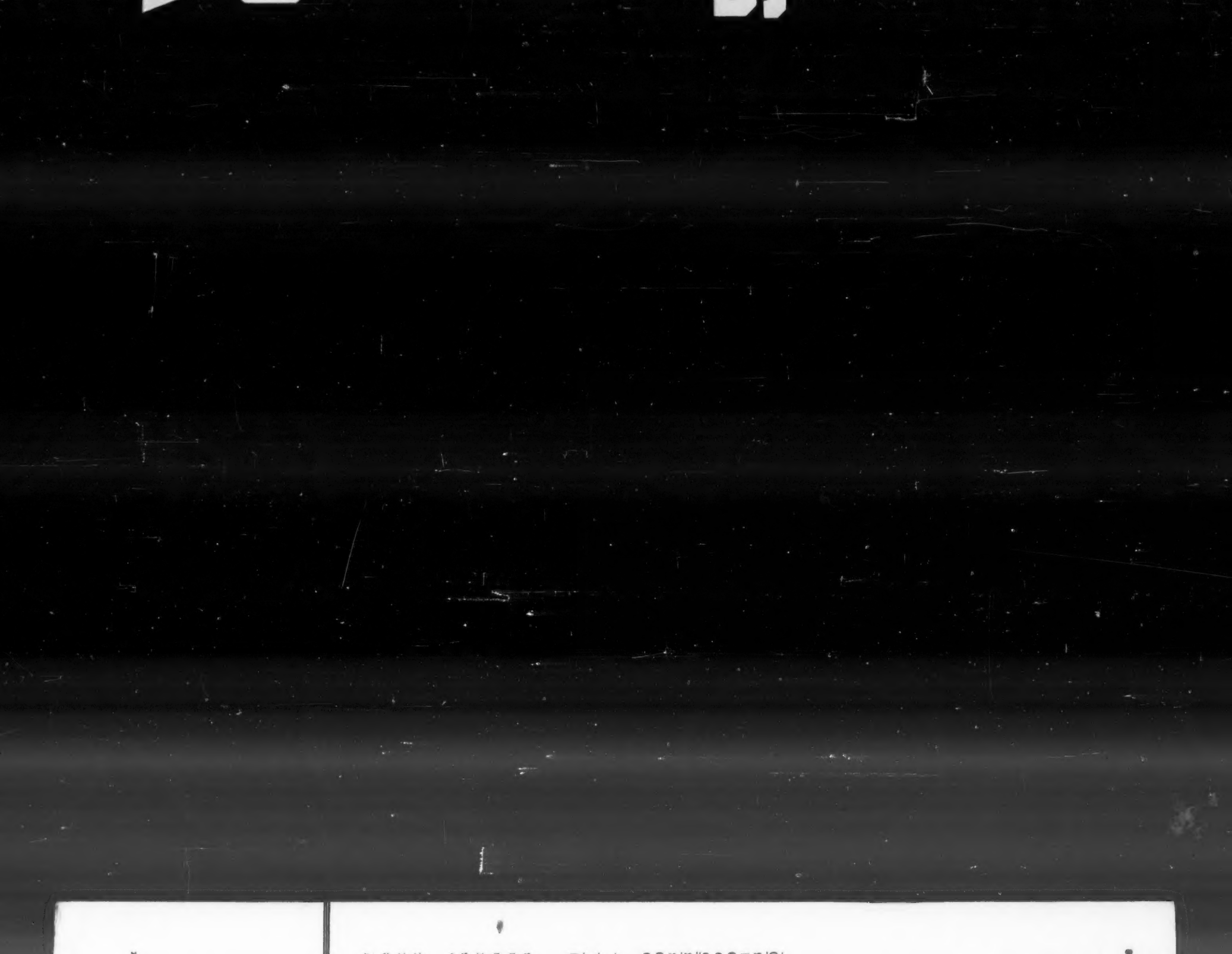
Grains, Feeds, Pulses, and Seeds

14 Weekly Report on Rotterdam Grain Prices

14 1968 World Corn Harvest Second of Record

14 Large South African Corn Exports Continue

Tobacco

14 U.S. Tobacco Exports Decline in October

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